

Message from the State Mail Manager

Thank you for taking the time to learn more about the Department of General Services, State Mail Services (SMS). My name is Gerald Henson the State Mail Manager for the Capitol area. In August I was hired by DGS to lead the Commonwealth's mail consolidation initiative. I have more than 18 years of postal management experience, twelve of them with the United States Postal Service (USPS). I am excited to be a part of the Commonwealth's effort to optimize mailing efficiency and mail security, and to generate cost savings.

An integral component of this mail consolidation initiative is support from state agencies. As part of my orientation to state government and to gain a better understanding of the Commonwealth's current mail processes and activities in and around the Capitol area, I have visited with mail managers at various agencies. To gain more input to successfully launch this initiative a Postal Roundtable comprised of senior managers from selected agencies has been formed. The roundtable members have met twice to discuss mail consolidation strategies and to help advise on implementation activities. In addition to the roundtable, DGS has committed to frequent mail forums where all agencies that may be affected by mail consolidation will be provided an update on consolidation and program processes.

As we go through the various phases of implementation there will be a focus on providing outstanding customer service to all SMS customers. To accomplish this we have created the SMS Mail Services Guide to serve as a comprehensive resource for state employees looking for information about mail. We have also expanded the SMS website.

As we begin to set our editorial calendar for release of future installments of this newsletter, we welcome topic ideas. SMS welcomes any and all suggestions you may have to help us serve you better. Please feel free to contact me with any questions or comments. You may reach me by phone at 804-236-3592 or by e-mail me at Gerald.Henson@DGS.Virginia.Gov.



Gerald Henson
State Mail Manager

Hours of Operation

The SMS Mail Center hours of operation are from 8:00 a.m. to 4:30 p.m. Monday thru Friday except on state-observed holidays. SMS will follow the Commonwealth of Virginia holiday schedule and will not operate during holidays or inclement weather closings.

If offices open late or close early, SMS will only conduct one run of the scheduled routes either in the morning or late afternoon depending upon closing time. In the event of inclement weather closings, please check the DGS website at www.DGS.Virginia.Gov and look for the DGS Alert.

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8:30 a.m. to 4:30 p.m.

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Department of General Services

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THE POSTAL

INSIDER

An information paper by State Mail Services.

In this Issue

Benefits of State Mail Services

New Website Launched

Obsolete Meter Timeline

First Issue of *Postal Insider* Published in December

The Department of General Services' (DGS), State Mail Services (SMS) is excited about publishing the first issue of the *Postal Insider*. The *Postal Insider* will be published quarterly and distributed to state agencies located in and around the seat of government.

The *Postal Insider* is a communication tool designed to keep you informed. It will contain information about SMS mail operations and other general information related to postal operations that may have an internal or external effect on mail activities within agencies and SMS.

It will also provide readers with information about new United States Postal Service (USPS) regulations effecting express courier services and the impact on postal operations.

Gerald Henson, State Mail Services Manager has a designated section in the *Postal Insider* that will address current topics involving SMS or other mail operational matters. Look for this quarterly newsletter to stay informed about mail operations. You may also access it online at www.dgs.virginia.gov.

Upcoming Events

New Mail Security Guide

Customer Service Survey

Postal Training

Six-Month Mail Consolidation Report

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SMS Services

Security
Screening

Inter-agency
Mail

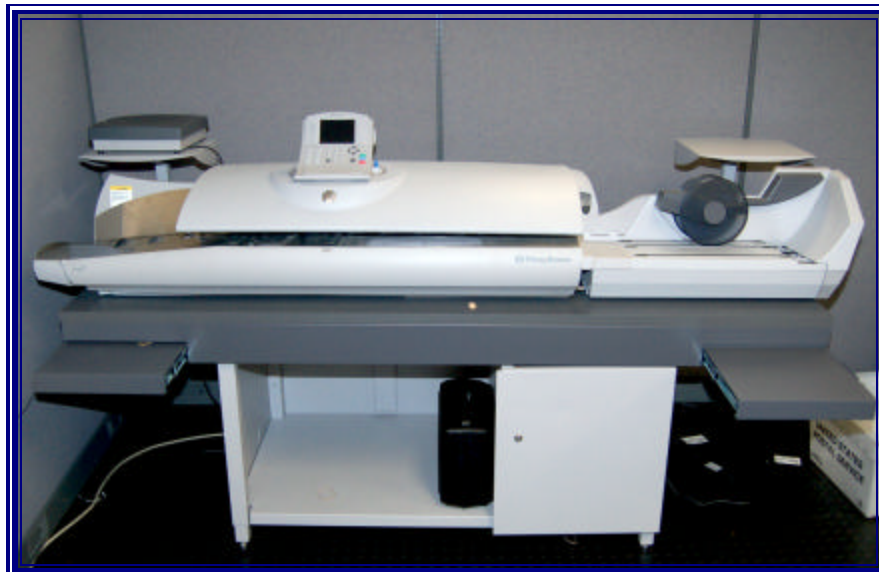
Postage
Metering

Mail
Consulting

Training

Express Mail
and Package
Pick-up

**Security First.
Customer Service.
Efficiency Always.**



DM1000 mail metering machine, sealing, imprinting postage, and stacking mail at speeds up to 260 pieces a minute.

Benefits from Mail Consolidation Initiative

Virginia has launched a mail consolidation initiative at the seat of government in Richmond. This initiative is being lead by the Department of General Services' (DGS), State Mail Services (SMS) with participation and support from effected agencies.

The consolidation effort will focus on three major areas, security, efficiency, and customer satisfaction.

Security
Efficiency
Customer Satisfaction

Services already in place include the implementation of several security measures to enhance mail security, which includes the screening of all incoming mail processed by SMS. This includes inter-agency, United States Postal Service (USPS) and carrier service. SMS conducts security screening of state mail by using a state-of-the-art x-ray machine that provides images of all suspicious items placed inside of the mail.

An area currently being evaluated for cost efficiency is the use of the USPS discount program, which is offered to organizations processing mail in large quantities. By merging other mail operations into SMS the Commonwealth would qualify and benefit from the discounts offered by the USPS. A consolidated mail operation may also achieve cost efficiencies by eliminating duplicate mail operations being conducted by multiple state agencies such as carrier services and mail metering.

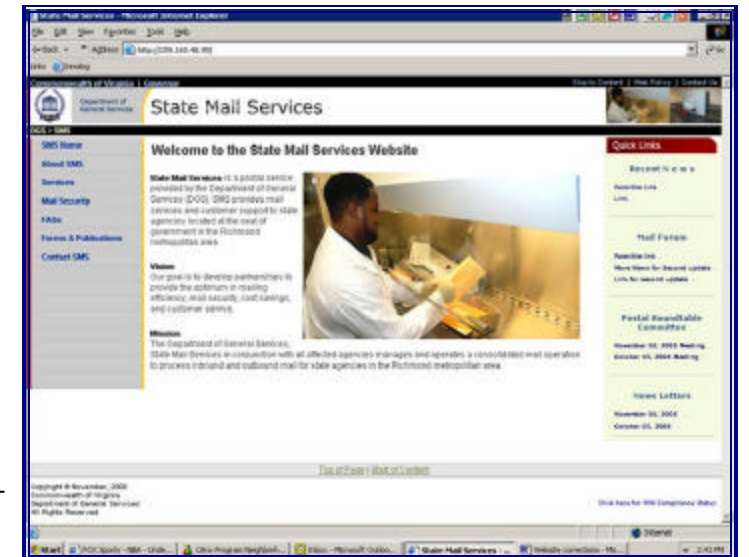
The consolidation initiative must meet the mail service needs of participating agencies. As the consolidation plan develops and expands, so will SMS services. State agencies are encouraged to contact SMS to learn more about the consolidation plan. For more information please contact Gerald Henson, DGS, State Mail Manager at 804-236-3592 or by email Gerald.Henson@dgs.virginia.gov.

SMS Launches New Website

State Mail Services (SMS) launched its new website in December. The SMS website – although still a work in progress – will contain information pertinent to SMS customers.

Customers can go to the SMS website to download the most current version of the SMS Mail Services Guide. The “Frequently Asked Questions” page is also a great source of answers to everyday mail processing questions. If the answer to a specific question cannot be found on the SMS website or in the SMS Mail Services Guide, customers can submit a question to the SMS customer service representative via the website.

The site also has links to package tracking, mail stop look– up and SMS forms. You may access the SMS web pages through the Department of General Services



website at www.DGS.Virginia.Gov or you may access it directly at <http://sms.dgs.virginia.gov>.

Metering Technology to Become More Secure

The United States Postal Service (USPS) is finalizing a transition plan for assuring a higher level of security in metering technology. The four-phased meter migration plan was aimed at replacing meters with better devices that are less susceptible to fraud.

The migration plan, which began in 1995 stemmed from a 1994 report published by the United States General Public Accounting Office (GAO). In the report the GAO documented the following: “Over the years, unscrupulous mailers have taken advantage of weaknesses in the meter mail program to avoid paying millions of dollars in postage. Since 1985, the Postal Inspection Service has closed more than 130 cases of meter fraud with documented losses totaling \$25 million.”

The findings are important because meter mail is the largest single source of revenue for the USPS, and

the more losses USPS incurs, the odds are greater that these losses will be shifted to its customers.

Phase I (one) of the meter migration began with the retirement of all mechanical meters. Phase II required all manually reset meters – meters that could only be reset manually by a USPS employee – be retired. The USPS issued a stop-setting date for all manual set meters for February 28, 2005. After that date manual meters were no longer authorized for manual postage resets. All of the approved postage meters had to be remotely reset by dial-up or by Internet connection through the meter provider’s electronic resetting system.

The USPS is now operating Phase III/IV letterpress meter models which will also soon be retired. The current plan is to transition from these meters to the enhanced security of digitally-printing meters.

The newer Phase IV meters have a distinguished timeout feature that will disable the meter if it is not reset within a specified period or if it fails to meet specific criteria. Companies distributing meters are no longer allowed to place Phase III/IV meters with new customers. All Phase III meters must be taken off the market and withdrawn from service by December 31, 2006 and Phase IV meters by December 31, 2008.

The Phase V and VI meter models are the digital metering models currently available for placement. The Phase VI digital meters print Information Based Indicia (IBI) format which is easily identified by the barcode in the postage indicia. Please visit the State Mail Services website to see if your meter is affected.